## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

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## USTR, CEQ RELEASE DRAFT GUIDELINES ON IMPLEMENTATION OF EXECUTIVE ORDER REGARDING ENVIRONMENTAL REVIEWS OF TRADE AGREEMENTS

The Office of the United States Trade Representative (USTR) and the Council on Environmental Quality (CEQ) today released draft guidelines for implementing Executive Order 13141–Environmental Reviews of Trade Agreements. The Executive Order, signed by President Clinton last November, commits the United States to careful assessment and consideration of the environmental impacts of future trade agreements, including written reviews of certain major trade agreements, and directs USTR and CEQ to develop implementing guidelines.

"These draft guidelines show that when it comes to trade and the environment, we don't have to choose one or the other," said United States Trade Representative Charlene Barshefsky. "We can negotiate trade agreements that continue to open markets around the world to U.S. goods and services, protect the environment and promote sustainable development. The key to these guidelines is public involvement early in the process to identify the relevant environmental issues, which will enable our negotiators to craft a strategy that will produce a good trade agreement and protect the environment."

CEQ Acting Chairman George T. Frampton, Jr. said: "This Administration is committed to ensuring that our efforts to promote free trade serve to strengthen, not weaken, environmental protections worldwide. These draft guidelines will help achieve that goal by ensuring full and open environmental reviews of major trade agreements, and by helping our trade negotiators identify win-win opportunities to both strengthen the global economy and protect our environment."

The draft guidelines, which will be published in the *Federal Register* tomorrow, propose procedures for public comment to identify potential environmental issues as early as possible in the development of the trade agreement, to maximize their usefulness for informing the negotiators. The guidelines also propose significant opportunities for public participation, including an open and public process for determining the scope of the review and in most cases an opportunity to comment on a draft review.

In keeping with the Clinton Administration's commitment to reach out to all interested stakeholders, USTR and CEQ solicited public comment on issues to be addressed in the guidelines and consulted closely with its advisory committees, including the Trade and Environment Policy Advisory Committee (TEPAC). TEPAC provided a number of detailed recommendations, many of which are reflected in the present draft. Key environmental, economic, and foreign affairs agencies also worked with USTR and CEQ in developing the draft.

USTR and CEQ are continuing their outreach efforts by seeking additional public and advisory committee comment on the draft in the next few months. A public hearing on the draft guidelines will be held in Washington on August 2 and 3. The guidelines will be finalized in the fall.

## Background

Executive Order 13141 institutionalizes, for the first time, the procedures for integrating consideration of environmental issues into the negotiating process. The Order recognizes that environmental reviews are an important tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses to those effects whether in the course of negotiations, through other means, or both.

Sections 1 and 4(a) of the Order commit the United States to careful assessment and consideration of the environmental impacts of future trade agreements, including environmental reviews of certain major agreements (comprehensive multilateral trade rounds, multilateral or bilateral free trade agreements, and major new agreements in natural resource sectors). Further, Section 4(c) of the Order provides that environmental reviews may also be done for other agreements based on such factors as the significance of reasonably foreseeable environmental impacts, although it is anticipated that most sectoral liberalization agreements will not require reviews.

The United States has previously conducted environmental reviews of several major trade agreements, including the North American Free Trade Agreement in 1991-92 and the Uruguay Round Agreements in 1994. In November 1999, the United States prepared a study of the economic and environmental effects of the proposed Accelerated Tariff Liberalization initiative with respect to forest products. Currently, USTR is conducting environmental reviews of the Free Trade Area of the Americas and the Jordan Free Trade Agreement negotiations.